

USA BOBSLED/SKELETON, INC.

Financial Statements

For the Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Bobsled/Skeleton, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of USA Bobsled/Skeleton, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Bobsled/Skeleton, Inc. as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USA Bobsled/Skeleton, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Bobsled/Skeleton, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USA Bobsled/Skeleton, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Bobsled/Skeleton, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited USA Bobsled/Skeleton, Inc.'s 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the consolidated audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
December 15, 2025

USA BOBSLED/SKELETON, INC.
Statement of Financial Position
June 30, 2025
(With Comparative Amounts for 2024)

	<u>2025</u>	Consolidated <u>2024</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,239,685	\$ 1,886,890
Short-term investments		257,616
Accounts receivable	27,329	33,017
Due from United States Olympic & Paralympic Committee		62,914
Grants receivable	109,757	478,647
Prepaid insurance	73,729	52,794
Prepaid expenses	<u>30,256</u>	<u> </u>
Total current assets	2,480,756	2,771,878
PROPERTY AND EQUIPMENT:		
Property and equipment	3,390,873	3,203,407
Less accumulated depreciation	<u>(1,992,447)</u>	<u>(1,986,932)</u>
Property and equipment, net	1,398,426	1,216,475
LONG-TERM INVESTMENTS	860,050	303,266
OTHER ASSETS:		
Beneficial interest in Trust	<u>1,528,249</u>	<u>1,441,394</u>
TOTAL ASSETS	<u>\$ 6,267,481</u>	<u>\$ 5,733,013</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 310,363	\$ 114,113
Deferred revenue	129,545	126,020
Refundable advance	<u>194,802</u>	<u>441,561</u>
Total current liabilities	634,710	681,694
NET ASSETS:		
Without donor restrictions	3,938,282	3,554,967
With donor restrictions	<u>1,694,489</u>	<u>1,496,352</u>
Total net assets	<u>5,632,771</u>	<u>5,051,319</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,267,481</u>	<u>\$ 5,733,013</u>

See Notes to Financial Statements

USA BOBSLED/SKELETON, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025
(With Comparative Amounts for 2024)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Totals</u>	<u>Consolidated 2024 Totals</u>
REVENUE AND SUPPORT:				
USOPC grants	\$	\$ 2,122,909	\$ 2,122,909	\$ 1,881,665
Corporate sponsorship	605,500		605,500	514,378
Grants	62,500	350,000	412,500	475,000
Contributions	72,466	275,630	348,096	263,884
Contributions - VIK	269,856		269,856	211,898
Miscellaneous income	186,999		186,999	56,766
Investment income, net	158,538		158,538	64,452
IBSF distributions	100,589		100,589	78,087
Change in beneficial interest in Trust		86,855	86,855	101,852
Trust distributions	75,576		75,576	71,081
USOPC media agreement	26,933		26,933	37,500
Member dues	22,475		22,475	17,828
Royalty revenue				2,227
Loss on disposal of equipment				(75,051)
Special event				90,961
Satisfied program restrictions	<u>2,637,257</u>	<u>(2,637,257)</u>		
Total revenue and support	4,218,689	198,137	4,416,826	3,792,528
EXPENSES:				
Program services:				
Women's bobsled	615,547		615,547	559,120
Athlete expense	649,133		649,133	531,972
Men's bobsled	535,531		535,531	566,587
Development	452,573		452,573	442,240
Skeleton	432,051		432,051	351,355
Para program	240,484		240,484	157,747
Membership expense	96,663		96,663	89,817
Recruiting	<u>15,889</u>		<u>15,889</u>	<u>12,766</u>
Total program services	3,037,871		3,037,871	2,711,604
Supporting services:				
General & administrative	736,070		736,070	715,741
Marketing & public relations	<u>61,433</u>		<u>61,433</u>	<u>156,726</u>
Total supporting services	<u>797,503</u>		<u>797,503</u>	<u>872,467</u>
Total expenses	<u>3,835,374</u>		<u>3,835,374</u>	<u>3,584,071</u>
CHANGE IN NET ASSETS	383,315	198,137	581,452	208,457
NET ASSETS, beginning of year	3,554,967	1,496,352	5,051,319	5,085,077
TRANSFER OF NET ASSETS, USA Bobsled & Skeleton Foundation				<u>(242,215)</u>
NET ASSETS, end of year	<u>\$ 3,938,282</u>	<u>\$ 1,694,489</u>	<u>\$ 5,632,771</u>	<u>\$ 5,051,319</u>

See Notes to Financial Statements

USA BOBSLED/SKELETON, INC.

Schedule of Functional Expenses

For the Year Ended June 30, 2025

(With Comparative Amounts for 2024)

	Women's Bobsled	Athlete Expense	Men's Bobsled	Development	Skeleton	Para Program	Membership Expense	Recruiting	Total Programs
Athlete funding	\$	\$ 103,094	\$	\$ 209,383	\$	\$	\$	\$	\$ 209,383
Athlete incentives									103,094
Athlete support									
Bad debts									
Bank charges & merchant fees									
Contract labor	22,641	1,137	22,641	17,978	45	31,350			95,792
Depreciation	36,136	42,976	115,631	1,516	37,050	13,420			246,729
Dues & subscriptions									
Employee benefits	8,550	9,550	8,550	7,640	4,000				38,290
Entry fees	8,074		3,412	1,200	4,914	31,920			49,520
Equipment	9,084	131,834	6,318	26,776	21,355	25,570	10,085		231,022
Goodwill gestures									
Insurance							97,653		97,653
Interest expense									
Legal & accounting									
Marketing									
Meals/lodging	134,335	21,240	89,807	51,972	116,511	65,381		1,877	481,123
Meetings									
Membership expense							(990)		(990)
Office supplies									
Other	11,465	16,589	9,155	11,713	7,160	63,055			119,137
Payroll taxes	11,953	11,016	11,953	6,724	10,940				52,586
Postage									
Public relations									
Professional development									
Recruiting		129,262							129,262
Rent-building									
Salaries	156,369	144,242	156,369	87,900	144,333				689,213
Simple IRA expense	1,544		1,544		2,690				5,778
Sted shipping	89,855		26,922	10,610	4,689				132,076
State unemployment insurance									
Technology					4,658				4,658
Telephone									
Travel	125,541	38,193	83,229	19,161	73,706	9,788		3,927	353,545
	<u>\$ 615,547</u>	<u>\$ 649,133</u>	<u>\$ 535,531</u>	<u>\$ 452,573</u>	<u>\$ 432,051</u>	<u>\$ 240,484</u>	<u>\$ 96,663</u>	<u>\$ 15,889</u>	<u>\$ 3,037,871</u>

	General & Administrative	Marketing & Public Relations	2025 Totals	Consolidated 2024 Totals
	\$	\$	\$	\$
Athlete funding			209,383	160,284
Athlete incentives			103,094	54,189
Athlete support	12,716		12,716	7,346
Bad debts	19		19	1,526
Bank charges & merchant fees	8,438		8,438	4,562
Contract labor		2,700	98,492	126,014
Depreciation			246,729	308,092
Dues & subscriptions	10,730		10,730	10,963
Employee benefits	28,674		66,964	65,061
Entry fees			49,520	42,683
Equipment	2,137		233,159	187,674
Goodwill gestures	609		609	1,030
Insurance	47,618		145,271	140,564
Interest expense	125		125	20
Legal & accounting	31,320		31,320	41,192
Marketing	715	46,936	47,651	122,492
Meals/lodging	884	3,392	485,399	442,477
Meetings	2,958		2,958	7,278
Membership expense			(990)	810
Office supplies	805		805	393
Other	1,173	3,864	124,174	96,888
Payroll taxes	34,000		86,586	83,589
Postage	832		832	731
Public relations		4,290	4,290	821
Professional development	10,985		10,985	10,125
Recruiting			129,262	98,320
Rent-building	2,400		2,400	2,796
Salaries	515,170		1,204,383	1,157,382
Simple IRA expense	12,960		18,738	17,253
Sled shipping			132,076	93,962
State unemployment insurance	4,148		4,148	4,659
Technology			4,658	3,022
Telephone	4,898		4,898	4,853
Travel	1,756	251	355,552	285,020
	<u>\$ 736,070</u>	<u>\$ 61,433</u>	<u>\$ 3,835,374</u>	<u>\$ 3,584,071</u>

See Notes to Financial Statements

USA BOBSLED/SKELETON, INC.
Statement of Cash Flows
For the Year Ended June 30, 2025
(With Comparative Amounts for 2024)

	<u>2025</u>	Consolidated <u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 581,452	\$ 208,457
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	246,729	308,092
Unrealized gain on investments	50,658	42,550
Loss on disposal of assets		75,051
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	5,688	19,880
Due from United States Olympic & Paralympic Committee	62,914	(62,914)
Pledges receivable		90,000
Grants receivable	368,890	
Deposit		500
Prepaid insurance	(20,935)	8,735
Prepaid expenses	(30,256)	
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	196,250	53,187
Refundable advances	(246,759)	(76,757)
Deferred revenue	<u>3,525</u>	<u>24,261</u>
Net cash provided by operating activities	1,218,156	691,042
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short-term investments	257,616	(257,616)
Long-term investments	(607,442)	(334,725)
Acquisition of property and equipment	(428,680)	(94,873)
Transfer of net assets, USA Bobsled & Skeleton Foundation		(242,215)
Proceeds from sale of property and equipment		<u>8,241</u>
Net cash used by investing activities	(778,506)	(921,188)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Beneficial interest in Trust	<u>(86,855)</u>	<u>(101,853)</u>
Net cash used by financing activities	<u>(86,855)</u>	<u>(101,853)</u>
NET INCREASE (DECREASE) IN CASH	352,795	(331,999)
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,886,890</u>	<u>2,218,889</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,239,685</u>	<u>\$ 1,886,890</u>

See Notes to Financial Statements

USA BOBSLED/SKELETON, INC.
Notes to Financial Statements
For the Year Ended June 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United States Bobsled and Skeleton Federation, Inc. (the Corporation) was organized in the State of New York on November 18, 1977, to promote and improve amateur bobsledding, and develop interest and participation in amateur bobsledding throughout the United States. During the year ended June 30, 2015, the Corporation legally changed their name from United States Bobsled and Skeleton Federation, Inc. to USA Bobsled/Skeleton, Inc.

Prior-Year Comparisons

The accompanying financial statements include certain summarized comparative information for the year ended June 30, 2024. The prior-year amounts reflect consolidated financial information which included a wholly owned subsidiary, U.S. Bobsled and Skeleton Foundation, LLC. During the year ended June 30, 2024, the remaining assets of the Foundation were transferred to the USA Bobsled & Skeleton Foundation, which is not a subsidiary of USA Bobsled/Skeleton, Inc. As a result, certain comparative variances may not be directly comparable between years.

Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's consolidated audited financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Corporation's checking and savings accounts. The Corporation maintains its cash and cash equivalents at commercial banks. In the unlikely event of a bank failure the Corporation might only be able to recover the amounts insured.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Supplemental Cash Flow Disclosures

During the years ended June 30, 2025 and 2024, the Corporation paid interest costs of \$125 and \$20, respectively. The Corporation paid no income taxes either year.

Accounts Receivable

During the year ended June 30, 2024, the Corporation implemented Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). There was no impact of the adoption of ASU 2016-13 on the accompanying financial statements. The Corporation does not expect ASU 2016-13 to have a significant impact on its financial condition or results of operations on an ongoing basis.

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Accounts receivable are presented net of an allowance for credit losses, when applicable, which is an estimate of amounts that may not be collectible. When uncollectible accounts are identified, management provides for probable uncollectible amounts through an allowance so that the net amount reflects the amount that management expects to collect. In developing that allowance, management determines statistics for the probability of loss.

The statistics used are based on the Corporation's historical collection experience, adjusted for management's expectations about current and future economic conditions. Based on management's assessment of the outstanding balances, it has concluded that an allowance for doubtful accounts was not necessary at June 30, 2025 and 2024.

Accounts receivable recorded by the Corporation include amounts from contracts with customers. Receivables from contracts with customers at the beginning and end of the period were \$5,000 and \$5,250, respectively.

The Corporation receives grants from the Department of Veterans Affairs and the United States Olympic Paralympic Committee (USOPC) that are for special purposes with specific expenditure requirements.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of donations. Depreciation is recorded using the straight-line method over estimated useful lives of three to 10 years.

Deferred Revenue

Deferred revenue, a contract liability, recognized by the Corporation represents amounts from contracts with customers. This revenue is deferred as of year-end because the performance obligations relating to this revenue have not yet been completed by the entity. Deferred revenue from contracts with customers at the beginning and end of the period were \$126,020 and \$129,545, respectively.

Refundable Advances

In accordance with FASB ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08), the Corporation classified conditional promises to give subject to donor-imposed conditions received in prior years as refundable advances at June 30, 2025. As the Corporation satisfies the barriers and conditions set forth in the grant contract, revenue will be recognized accordingly. Refundable advances are \$194,802 and \$441,561 at June 30, 2025 and 2024, respectively.

Contributions

Contributions are recorded when received as without donor restrictions, with donor restrictions - temporary in nature, or with donor restrictions - perpetual in nature, depending on the existence or nature of any donor restrictions. When a donor restriction is met, net assets with donor restrictions - temporary in nature are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfaction of program restrictions. Contributions whose restrictions are met in the same reporting period are recorded as unrestricted support. USOPC grants, International Bobsleigh & Skeleton Federation (IBSF) distributions, and other grants are considered contributions.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions - continued

However, if the Corporation is only entitled to the gift if it has overcome a barrier (such as raising matching funds or achieving a particular outcome), contribution revenue is recognized when that barrier is overcome as an increase in net assets without restrictions, because the restriction on the gift is satisfied as the barrier is overcome; thus, there essentially is no separate restriction that needs to be tracked for those gifts.

Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

In-kind Contributions

The Corporation has adopted Accounting Standards Update (ASU) 2020-07, Not-For-Profit Entities (Topic 958): *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*.

The Corporation may record various types of in-kind contributions when received. Contributed services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

The Corporation received the following gifts-in-kind during the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Housing	\$ 149,866	\$ 67,833
Apparel	75,000	75,000
Equipment and supplies	<u>44,990</u>	<u>69,065</u>
	<u>\$ 269,856</u>	<u>\$ 211,898</u>

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In-kind Contributions - continued

The Corporation's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Corporation.

If an asset is provided that does not allow the Corporation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Revenue from Contracts with Customers

Member Dues - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term.

Corporate Sponsorship - The Corporation recognizes revenue from contracts with both sponsors and suppliers of the Corporation. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Corporation will recognize revenue over time. The Corporation has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Therefore, sponsorship revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

Royalties - The Corporation receives royalties from sponsors. The revenue is variable based on the terms of the agreement and related sales. The revenue is recognized upon receipt of the royalty.

USOPC Digital Media - The Corporation also recognizes revenue from contracts with the USOPC. As previously mentioned, USOPC grants are considered contributions by the Corporation. The USOPC media agreement is considered revenue from contracts with customers. See Note J for more information regarding this revenue stream.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Tax Exempt Status

The Corporation is generally exempt from the payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Corporation is, however, liable for income tax on unrelated trade or business income, which includes advertising income or any other business income that is not substantially related to its exempt purpose.

The Corporation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Corporation believes that it does not have any uncertain tax positions that are material to the financial statements.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through December 15, 2025, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Corporation has grant funding commitments to meet most expenses. The Corporation seeks sponsorships, donations, and other contributions to cover other general expenditures.

The Corporation regularly monitors liquidity necessary to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

Notes to Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

The Corporation's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,239,685	\$ 1,886,890
Grants receivable	109,757	478,647
Short-term investments		257,616
Accounts receivable, net	<u>27,329</u>	<u>33,017</u>
	2,376,771	2,656,170
Less assets with donor restrictions:		
Donor restrictions - temporary	<u>156,061</u>	<u>44,779</u>
Financial assets available within one year	<u>\$ 2,220,710</u>	<u>\$ 2,611,391</u>

As described in Note G to the financial statements, the Corporation has two lines of credit available to be used for general expenditures. As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The primary investment objectives of the Corporation are to preserve and protect the Corporation's assets and to provide liquidity for operations.

C. FAIR VALUE MEASUREMENTS

The Corporation applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 inputs are unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a description of valuation methodologies used for assets measured at fair value:

U.S. Olympic & Paralympic Endowment (USOPE) portfolio: The Foundation has an undivided interest in a pool of assets. Fair values for assets in Level 2 are calculated using the statements provided by the United States Olympic and Paralympic Endowment (USOPE) for the Foundation's portion of the pooled portfolio managed by the USOPE. The Foundation may terminate its investment agreement with the USOPE effective at the end of any calendar month upon the giving of at least 90 days written notice or upon shorter notice acceptable to the USOPE if the USOPE determines that adequate liquidity exists in the portfolio to permit early termination.

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

The following tables present assets that are measured at fair value on a recurring basis at June 30, 2025 and 2024:

<u>Assets at Fair Value as of June 30, 2025</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trust	\$ 1,528,249	\$	\$	\$ 1,528,249
USOPE pooled fund		517,012		517,012
Foundation for the Carolinas pooled funds		329,713		329,713
Adirondack Foundation pooled funds		13,325		13,325
	<u>\$ 1,528,249</u>	<u>\$ 860,050</u>	<u>\$</u>	<u>\$ 2,388,299</u>

<u>Assets at Fair Value as of June 30, 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trust	\$ 1,441,394	\$	\$	\$ 1,441,394
Foundation for the Carolinas pooled funds		291,122		291,122
Certificate of deposit		257,616		257,616
Adirondack Foundation pooled funds		12,144		12,144
	<u>\$ 1,441,394</u>	<u>\$ 560,882</u>	<u>\$</u>	<u>\$ 2,002,276</u>

The USOPE investment consists of units in a pooled portfolio managed by the USOPE. At June 30, 2025, the USOPE portfolio consisted of the following types of securities:

Alternative investments	37.82%
Domestic equities	35.49%
International equities	14.52%
Domestic bonds	7.72%
Cash & cash equivalents	<u>4.45%</u>
	<u>100.00%</u>

	<u>2025</u>	<u>2024</u>
Unrealized gains on securities	\$ 50,658	\$ 42,550
Realized gains on securities	4,194	
Interest and dividends	105,284	23,330
Investment expenses	<u>(1,598)</u>	<u>(1,428)</u>
	<u>\$ 158,538</u>	<u>\$ 64,452</u>

Notes to Financial Statements

C. FAIR VALUE MEASUREMENTS - Continued

Some investments are exposed to various risks that may cause their reported fair values to fluctuate from period to period and could materially affect the recorded amounts of investments in the Corporation's financial statements.

Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business and industry market conditions and the state or perceived direction of the economy. The values of debt securities fluctuate in response to changing interest rates, credit worthiness of issuers, and overall economic policies that impact market conditions. The values of certain investments, such as hedge funds, can fluctuate in response to direct market conditions and other factors that may or may not have a high correlation to overall market direction. Though the market values of investments are subject to fluctuation, management believes that the investment policy is prudent for the long-term welfare of the Corporation.

D. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, if purchased, or at market value at the date received as a gift. Property and equipment consists of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Sleds	\$ 2,478,391	\$ 2,345,432
Furniture and equipment	419,718	380,739
Runners	313,859	377,388
Leasehold improvements	153,905	74,848
Restricted assets	25,000	25,000
Less accumulated depreciation	<u>(1,992,447)</u>	<u>(1,986,932)</u>
Property and equipment, net	<u>\$ 1,398,426</u>	<u>\$ 1,216,475</u>

Depreciation expense amounted to \$246,729 and \$308,092 for the years ended June 30, 2025 and 2024, respectively.

Notes to Financial Statements

E. BENEFICIAL INTEREST IN TRUST

The United States Bobsled and Skeleton Corporation Trust (the Trust) was established by the Corporation to administer unrestricted funds distributed by the USOPC, from the profits of the 1984 Olympic Summer Games in Los Angeles, to the National Governing Body of these Olympic Sports.

In accordance with FASB ASC 958, Not-for-Profit Entities, the Corporation has recorded a beneficial interest in the net assets of the Trust.

Changes in the net assets of the Trust are recorded in the accompanying statement of activities. As of June 30, 2025 and 2024, the Trust had total assets of \$1,528,249 and \$1,441,394, respectively. This amount is included in net assets with donor restrictions - perpetual in nature.

The Trust is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It has also been determined not to be a private foundation.

At June 30, 2025 and 2024, the Trust's net assets consisted of the following:

	<u>2025</u>	<u>2024</u>
Exchange-traded and closed end funds	\$ 1,133,434	\$ 1,076,662
Mutual funds	378,173	350,767
Cash and cash equivalents	<u>16,642</u>	<u>13,965</u>
	<u>\$ 1,528,249</u>	<u>\$ 1,441,394</u>

F. ENDOWMENT FUNDS

In accordance with generally accepted accounting principles, net assets associated with endowment funds are classified between net assets with donor restriction - perpetual and temporary in nature and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

The Corporation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net

Notes to Financial Statements

F. ENDOWMENT FUNDS - Continued

assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. The net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Corporation has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Corporation classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Additionally, in accordance with SPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Corporation, and (7) the Corporation's investment policies.

	<u>With Donor Restrictions</u>		<u>Total</u>
	<u>Temporary</u>	<u>Perpetual</u>	
Endowment net assets, July 1, 2023		\$ 10,179	\$ 10,179
Investment income			
Expenditures			
Endowment net assets, June 30, 2024	\$	\$ 10,179	\$ 10,179
Investment income			
Expenditures			
Endowment net assets, June 30, 2025	\$	\$ 10,179	\$ 10,179

Notes to Financial Statements

F. ENDOWMENT FUNDS - Continued

These funds are held and invested in a pooled fund at the Adirondack Foundation, an unrelated not-for-profit organization. Any deficits in the fund will be made up with general assets of the Corporation to maintain the donor contribution balance of the endowment fund.

G. LINE OF CREDIT AGREEMENTS

The Corporation has a \$75,000 line of credit agreement and a \$50,000 line of credit agreement with two commercial banks.

The \$75,000 line of credit bears interest at a rate of .75% over Wall Street Journal prime. The \$50,000 line of credit bears interest at a rate of 6.75% over the bank's prime rate. At June 30, 2025 and 2024, there were no outstanding borrowings under either line of credit agreement.

H. NET ASSETS WITH DONOR RESTRICTION - TEMPORARY IN NATURE

Net assets with donor restrictions - temporary in nature at June 30, 2025 and 2024, consist of the following:

	<u>2025</u>	<u>2024</u>
Athlete support	\$ 108,281	\$
Parasport support	39,629	36,954
Holcomb memorial fund for athletes	7,325	7,325
Medical support	500	500
USOPC grants	326	
	<u>\$ 156,061</u>	<u>\$ 44,779</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose.

During the years ended June 30, 2025 and 2024, net assets were released from restrictions as follows:

	<u>2025</u>	<u>2024</u>
USOPC grants	\$ 2,122,583	\$
Parasport support	272,955	160,295
Time restrictions	241,719	90,000
	<u>\$ 2,637,257</u>	<u>\$ 250,295</u>

Notes to Financial Statements

I. LEASES

The Corporation has operating leases for office and garage storage spaces used throughout the year. The determination of whether an arrangement is a lease is made at the lease's inception.

During the year ended June 30, 2023, the Corporation adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Under ASU 2016-02, the Corporation has made an accounting policy election to apply the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with a term of 12-months or less that do not include an option to purchase the underlying asset, are not recorded on the balance sheet as right-of-use assets or lease liabilities. The Corporation has elected to expense the cost of the short-term leases on the straight-line basis in the accompanying statement of activities.

The Corporation is on a month-to-month lease with the USOPC in the amount of \$200 per month for office space in Lake Placid.

Total rent expense amounted to \$2,400 and \$2,796 for the years ended June 30, 2025 and 2024, respectively.

J. RELATED PARTY TRANSACTIONS

IBSF, the international bobsled and skeleton organization, distributed \$100,589 and \$78,087 to the Corporation during the years ended June 30, 2025 and 2024, respectively. Of these amounts, \$57,449 and \$78,087, respectively, was for athlete incentives, prizes, and bonuses.

The USOPC provides grants to the Corporation for sports development, international competition, and team preparation. Grants provided during the years ended June 30, 2025 and 2024, consisted of the following project categories:

	<u>2025</u>	<u>2024</u>
USOPC grants	\$ 2,122,583	\$
Parasport support	272,955	160,295
Time restrictions	<u>241,719</u>	<u>90,000</u>
	<u>\$ 2,637,257</u>	<u>\$ 250,295</u>

Notes to Financial Statements

J. RELATED PARTY TRANSACTIONS - Continued

In December 2023, the Corporation entered into a new digital engagement platform agreement with the USOPC. This contract became effective January 1, 2024, and continues through December 31, 2024. This agreement grants the USOPC the exclusive right and license to host and manage the Corporations website, as well as various other exclusive media rights. The media fee granted by this contract is \$25,000 annually.

As discussed in Note I, the USOPC provides the Corporation with office facilities in Lake Placid for \$200 a month.

Rental expense under these leases for the years ended June 30, 2025 and 2024, amounted to \$2,400 and \$2,796, respectively.

The Corporation is economically dependent on grants from the USOPC in order to sustain its operations at current levels.

K. RETIREMENT PLAN

The Corporation has established a Simple IRA retirement program. Employees are eligible to participate after working for the Corporation for two years. During the years ended June 30, 2025 and 2024, the Corporation made matching contributions for eligible employees of \$18,738 and \$17,253, respectively.

L. COMMITMENT AND CONTINGENCIES

Occasionally, in the normal conduct of business, the Corporation may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Corporation, as of June 30, 2025, are either without merit or will not exceed insurance limits.

M. EMPLOYEE RETENTION CREDITS

The 2021 Coronavirus Aid, Relief, and Economic Security (CARES) act included a provision that created the employee retention credit, a refundable tax credit against certain employment taxes of up to \$7,000 per employee for eligible employers and certain calendar quarters in 2020 and 2021.

Notes to Financial Statements

M. EMPLOYEE RETENTION CREDITS - Continued

During the year ended June 30, 2023, the Corporation determined it was eligible for the Employee Retention Credit and submitted amended payroll tax returns to claim these credits. The Corporation had determined that as of June 30, 2023, the criteria for recognition of this conditional grant had been met. Due to this determination, the Corporation had recorded \$478,647 in relation to the employee retention credit in the consolidated statement of activities and changes in net assets during the year ended June 30, 2023.

A portion of these claims were received during the year ended June 30, 2025. The remaining amount outstanding is reported as grants receivable in the accompanying statement of financial position and was received subsequent to June 30, 2025.

N. UNCERTAINTIES

With the rising cost of inflation and potential recession, it is uncertain what effect these factors may have on operations of the Corporation in the coming year.